

KL/WHL SPACE CHARTER AND SAILING AGREEMENT

FMC No. ~~012164-01~~

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controls, so long as such transfer is authorized under the Shipping Act of 1984, as amended ("Shipping Act") and approved in writing by the Party which is the provider of the slot. To facilitate efficient operations under this Agreement, the Parties may discuss and agree upon their space requirements and the availability of such space in vessels owned or chartered by the Parties, as well as arrangements for chartering vessels, coordination of sailings and port calls, the place and timing of the provision of space; procedures for booking space, for documentation, for special cargo handling instructions or requirements; all matters relating to the transshipment of cargo moving under this Agreement on vessels provided by the Parties or by other carriers; other administrative matters relating to chartering and transportation under this Agreement; and the terms and conditions for the use or interchange of equipment in the carriage of cargo in the Trade. Joint service is not authorized. The following vessels will initially be operated by the parties in a service in the Trade: three vessels from "K" Line, two vessels from WHS, each with an approximate loadable capacity of between 3,800,000 and 4,200,000 TEU. The total deployment may be changed to between five and fifteen vessels and the TEU capacities of these vessels by up to fifty percent without amendment of this Agreement and each Party may withdraw its vessel(s) or resign from the Agreement per Article 7.

5.2. Compensation, billing and payment terms and conditions for space chartered pursuant to this Agreement shall be upon such terms and at such hire as the Parties may agree.

5.3. The Parties are authorized to discuss and agree upon arrangements for the use of terminals in connection with the chartering of space, including entering into exclusive, preferential, or cooperative working arrangements with marine terminal operators and any person relating to marine terminal, stevedoring or other shoreside services. Nothing herein authorizes the Parties jointly to operate a marine terminal in the United States.

5.4. The Parties are authorized to exchange information on any matter within the scope of this Agreement and to reach agreement on any and all related administrative and operational functions including, but not limited to, forecasting, terminal operations, stowage planning, insurance, liability, cargo claims, indemnities, the terms of their respective bills of lading, failure to perform and force majeure.

5.5. The Parties are authorized to enter into agreements about routine operational or administrative matters to implement this Agreement. Any further agreement which does not concern operational or administrative matters shall not go into effect unless filed and effective under the Shipping Act.

5.6. A Party may discuss and agree on operational matters of common interest with any party to the COSCON/KL/YMUK Hanjin Worldwide Slot Allocation and Sailing Agreement (FMC No. 011794), if such party is using a slot provided by such Party under this Agreement.